

# **Income Discrepancy Resolution Guide**

## **Preface - Calendar Year 1998 Income Data Match**

HUD has been working hard to improve federal housing programs and increase the availability of affordable housing and community development resources throughout America. An important part of this effort is strengthening the integrity of its rental assistance programs by ensuring that the programs serve only eligible households with the correct amount of rental assistance. HUD is undertaking the Tenant Income Verification (TIV) Program to assist POAs in determining the correct annual income and rent payment for your tenants. The TIV Program does not change your income verification responsibilities, but is intended to provide you with a tool to assist POAs in the income verification process.

POA resolution of the identified potential income discrepancies is essential to the success of the program. HUD's priority in its first year of nationwide computer matching is to determine baseline income discrepancy resolution and inaccurate rental assistance levels. This will assist HUD to ensure that rental assistance is targeted to families in amounts consistent with governing legislation and regulations. POAs should quickly resolve all identified potential income discrepancies and report on the results. This will facilitate the establishment of baselines and help further HUD's efforts to support POA income verification activities. HUD will not require PHAs/owners/agents to make rental adjustments for prior years for income underreported in 1998 that is identified through this process. However, residents have been advised that if they overstated their income, they may be entitled to a rent reduction or credit in the future. They were also advised that if they underreported their income, their rent may rise in the future. Further, PHAs, owners and managers may refer cases for enforcement if there is an indication that residents deliberately misreported their income.

Since the first year's priority is to establish baseline income data, HUD is focusing on the resolution of discrepancies and not on the recovery of excess rental assistance. To the extent that local procedures and guidelines permit, we encourage POA flexibility in pursuing the recovery of excess rental assistance.